

Centerfire Rifle Highlights:

Pricing of Remington's centerfire rifle line is at a historical high when compared to our major competition. We no longer offer a significant value/price selling proposition over several major competitors such as USRAC and Browning. Savage and Ruger have also strengthened their positions in this market because of low cost production competencies and quality improvements introduced and promoted in recent line extensions.

Remington pricing of bolt action product for 1998 will increase by two dollars per gun in all wood stocked models except for youth. Pricing for all bolt action stainless and specialty long range products will be held. Finally, pricing will be held for 7400 and 7600 repeating rifles. Our product strategy in this category includes introducing lower priced line extensions with Spartan features to restore sales volume and protect future profitability.

Centerfire Rifle Pricing Forecast

M700	N/C
M700 Stainless	N/C
M700 ML	N/C
M Seven	N/C
M7400	N/C
M7600	N/C

Other Products Forecast

Custom Guns	+ 2.8%
Extra Barrels	+ 3.1%
Barreled Actions	N/C

■ Pricing 1999 and Beyond

Raising prices will be very difficult in the future. It is anticipated that Wal*Mart, and to a lesser extent Kmart, will be most resistant to price increases. At present, these customers are seeking price reductions on many core items. Aggressive competition will also limit our flexibility in the pricing arena.